Manitoba

Annual Report 1984 - 85

Industry, Trade and Technology

Manitoba

Minister of
Industry, Trade
and Technology

Room 358
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
(204) 945-3729

Her Honor Pearl McGonigal,
Lieutenant-Governor of
the Province of Manitoba.
Winnipeg, Manitoba

May It Please Your Honor:

It gives me great pleasure to present the Annual Reports for the year ended March 31, 1985, of the Department of Industry, Trade and Technology and its associated agencies, the Manitoba Trading Corporation and the Manitoba Research Council.

During this period we have committed ourselves to stimulating economic growth and creating long-term jobs for Manitobans. The department continued to offer a comprehensive range of financial assistance programs and consultative services for provincial industry in fulfilling these goals.

To the best of my knowledge this report represents a full and accurate summary of activities carried out within Industry, Trade and Technology.

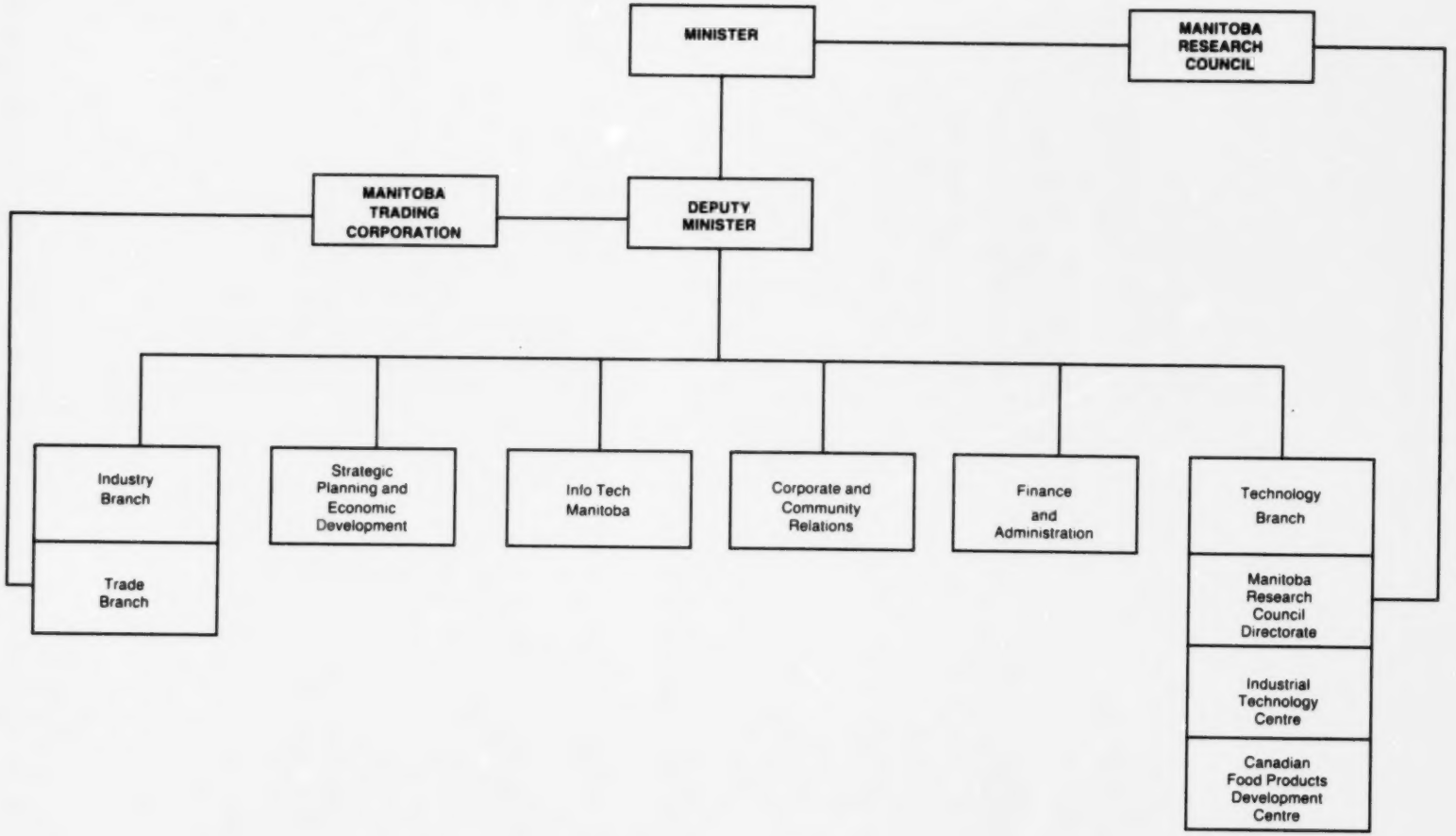
Respectfully submitted,

Eugene Kostyra,
Minister,
Manitoba Industry, Trade
and Technology.

Table of Contents

TITLE	PAGE
Minister's Letter of Transmittal	3
Department Organization	6
Finance and Administration	7
Industry Branch	8
Trade Branch	9
Strategic Planning and Economic Development	11
Corporate and Community Relations	12
Information Technology Branch	13
Associated Agencies	
— Manitoba Research Council	16
— Manitoba Trading Corporation	30
Summary of Grants Paid — 1984/1985	34
Expenditure Summary	37

Organization Chart — Manitoba Industry, Trade and Technology



Department Organization as of March 31, 1985

Finance and Administration

The Finance and Administration Branch provides administrative and support services to the Department of Industry, Trade and Technology as well as Business Development and Tourism.

Finance and Administration provides specialized functions and support to both departments in accordance with government policy and regulatory procedures set out by central agencies within the provincial administration.

Activities

The main administrative functions are financial management and accounting; personnel; motor vehicle administration; stock control; central registry and filing; central photocopying, and business library. These functions are service oriented with emphasis on response to demand. Staffing levels within the branch have remained fixed over the past several years and have not increased with the need to respond to two executive organizations.

Financial management and accounting met regulatory obligations with respect to expenditures, revenues and shared cost agreements. The accounting section processed approximately 13,900 payments to suppliers and government departments during the year — an increase of 16 per cent over the previous year. The personnel office processed documentation and payroll requirements for approximately 250 employees on permanent staff in both departments. Motor vehicle control administered to a fleet of 40 vehicles for the two departments. Travel control, central registry and filing, and central photocopying carried out substantial workloads for both departments.

Business Library

The Business Library services the information needs of departmental staff and those of its affiliated agencies. The collection is based largely on the subjects of business, economics, international trade, tourism and public policy. The collection is available to other government departments and agencies, the business and academic communities and the public at large. The library consists of separate reference and government document sections, a substantial book collection, access to more than 200 data bases, a periodical collection of business and trade literature and vertical file materials.

Activities

During the 1984-85 fiscal year, the library responded to 3,600 reference requests, processed 90 inter-library loans, conducted 60 on-line computer searches and made 267 audio-visual equipment loans.

Net book acquisitions to the collection totalled 486 items, bringing total catalogued holdings to 16,500 items. At year end, the Business Library subscribed to 318 periodicals and five major newspapers. The library circulated 3,677 catalogued items during the fiscal year, not counting internal circulation. Departmental listings for 14 directories were revised and updated for their publishers.

The Business Library regularly issued current periodical and selected acquisition lists to departmental personnel as part of its "publishing awareness" program and provided orientation tours to new staff members and other library clientele.

Industry Branch

The objectives of the Industry Branch are to attract investment capital to Manitoba, assist major Manitoba companies (with over 50 employees) expand their operations and to maintain and create employment in the province. Industry Branch services can vary considerably from project to project.

Programs include methods to attract U.S. and targeted off-shore companies to Manitoba, an entrepreneurial immigration plan to encourage business investment from Hong Kong, West Germany and other European countries and the Development Agreement program of the Manitoba Jobs Fund.

The branch has continued to work closely with individual companies, business organizations and other levels of government to further develop the economy of Manitoba.

Activities

The Industry Branch has played a major or supportive role in the establishment of new plants and expansions to numerous existing operations. During the 1984-85 fiscal year, 18 projects were assisted representing over $48 million in manufacturing capital investment, creating and retaining 1,171 jobs.

Among the more significant projects listed for 1984-85 are such new plants as St. Jude Medical, Toro, National Hard Chrome Plating, and Vicon. Major expansions included Stow Seed Processors, Westeel Inc., Gravure Graphics, Standard Knitting, Western Gloves, Dominion Tanners, Simon-Day, Waldeck Scientific, Western Engine, Otto Bock, and Tanco.

Other Activities

- Development Agreements completed during the fiscal year included:

Company	Investment	Jobs
The Toro Company Westeel — A Division of Jannock Ltd. Gravure Graphics Ltd. Vicon Inc.	$18 million	774

- Direct assistance in plant establishments, expansions and modernizations not utilizing Development Agreements included:
  - six plant establishments, expansions or modernizations;
  - employment of 253 jobs by 1990;
  - capital investment of $24.8 million.
- Established a Hong Kong trade and investment office to complement the entrepreneurial immigration program. Seventy-one visas were issued for Hong Kong entrepreneurs to establish businesses in Manitoba.

  Approximately 40 businesses and an estimated 85-100 new jobs were created with an investment of $3.2 million.
- Assisted in securing funding offers by the federal Department of Regional Industrial Expansion under the IRDP and WTID programs. This will assist 84 projects with authorized investment of $34.9 million and create an estimated 697 jobs.
- Sought offsets from the federal government on major programs and industrial spin-off benefits from major projects including:
  - negotiations with Canadian General Electric regarding the Limestone hydro-electric project and responsibility for agreement implementation.
  - negotiations over the past year for offsets from the RAMP, LLAD and CPF programs offer potential for contracts of $10-20 million over the next 5-10 years with 125-150 person-years of employment.
- Initiated a major program to contact potential U.S. investors. Over 50 companies were approached during the past fiscal year.
- Organized investor meetings in Montreal, Toronto and Minneapolis as part of a "Manitoba Outreach" program.
- Organized two missions to Germany in cooperation with the Winnipeg Business Development Corporation.
- Launched a call program in Minneapolis and Chicago to seek investment from these cities.
- Developed programs to secure investment interest in Manitoba's health care and transportation industry sectors.
- Assisted with two studies to further develop Manitoba's electrical and electronics industries.
- Assisted in the development and implementation of the ERDA Urban Bus Development subsidiary agreement.
- Undertook cost-shared studies with 13 companies aimed at evaluating new investment projects.

Trade Branch

The Trade Branch encourages inter-provincial and international export sales by Manitoba manufacturing and service sector firms through counselling and cost-shared assistance programs. Programs and activities are designed to promote increased exports of goods and services to domestic and international markets, thereby stimulating the creation and maintenance of employment in the Manitoba goods producing and service sectors.

In addition, Trade Branch has the mandate to facilitate and maximize new industrial development opportunities arising from major project developments occurring in Manitoba and to ensure Manitoba suppliers are afforded maximum opportunity to obtain benefits from public purchasing activities.

The Trade Branch is organized on a sectoral basis with officers assigned to specific industry sectors backed by export services, trade research and policy resources.

In 1984-85, an expanded, proactive trade development program was launched recognizing the varying needs of Manitoba industry.

1. **Opportunity Sectors** — initiatives on behalf of groups of firms, particularly agricultural equipment, processed foods and the service sector.
2. **High Potential Firms** — support to individual firms in all sectors.
3. **Horizontal Initiatives** — which support firms from a number of industry sectors.

The major marketing thrust was within North America but new projects were initiated in Pacific Rim countries, particularly Australia and China, and show promising early results.

The department's policy is not to duplicate federal export assistance. Consequently in the U.S. and other markets, companies are first encouraged to make use of federal trade programs or to participate in the Canadian Pavilion at major shows. The Trade Branch has actively assisted in the recruitment of Manitoba companies for these programs.

Activities

Support and assistance activities of the Trade Branch resulted in total company-reported committed sales of $2.3 million and $16.4 million in projected sales over a 12-month period.

Sixty-three grants were provided to 49 companies to participate in 49 different trade shows on an individual basis resulting in $1.2 million committed sales and $8.7 million in projected sales. Thirty-nine agents were appointed.

Fifty-four different companies were supported on 83 occasions at seven Manitoba group shows at major industry sector trade shows. This resulted in $500,000 committed sales and $7 million in projected sales. Eighty-eight agents were appointed. Group shows supported the agricultural equipment, food processing, energy and electronics industry sectors.

One hundred and twenty-five Manitoba companies were promoted through eight information booths at major international trade shows in Hong Kong, Australia, the U.S. and Canada.

Twenty-four companies benefited from provincially organized trade missions. Geographic origins or destinations included The People's Republic of China, Australia, Japan, India and Denmark.

Information booths and mission activities are primarily of a general promotional and investigative nature with longer term objectives, but directly recordable sales of $250,000 and projected sales of $1.3 million have been reported by participants.

An agricultural equipment initiative in Australia, started in early 1984, continued to support Manitoba firms at three agricultural equipment trade shows to make buyer contacts. A tariff reclassification imposing high import duties caused setbacks for some manufacturers and is being challenged, but new sales to Australia nevertheless reached $1 million over a 12-month period.

Joint advertising programs with the agricultural equipment sector continued in the form of an equipment brochure and directory distributed at trade shows worldwide, as well as co-operative advertising in key trade publications. Over 1,000 product inquiries for Manitoba firms were generated.

These programs were supplemented with general trade advice and counselling to 199 companies. This included advice and assistance on channels of distribution, product presentations and market penetration opportunities. The branch provided information on federal trade assistance programs, trade fairs, missions and Canadian Trade Commissions abroad.

Additionally, 303 requests for Export Services assistance were handled. Assistance was provided in all areas of trade procedures and export skills including tariffs and regulations, export pricing, shipping, documentation, finance, contracts and other matters directly relating to an export transaction.

Although most consulting services cannot be directly linked to specific sales, identifiable sales directly influenced by such counselling amounted to $750,000 in fiscal 1984-85.

The branch continued an export awareness and education program to highlight market opportunities or to upgrade export skills. Fifteen seminars were organized, assisted or co-sponsored with a total of 763 participants. As part of Export Trade Month, the Manitoba Export Awards were successfully launched in October,

1984, with four winners, who illustrated the benefits of exporting to the Manitoba business community. Other events held during Export Trade Month included:

- Public Information displays in shopping malls and local fairs and exhibitions.
- Speakers' Bureau — sponsorship of speaking engagements featuring knowledgeable and experienced exporters, held primarily through Rotary clubs.
- Seminars — topics included Penetrating the U.S. Market, Market Opportunities in Southeast Asia, Transportation Buyers' Seminar, Market Opportunities for Residential Furniture in Northwest U.S.

The branch supported an initiative by the Winnipeg Chamber of Commerce and the University of Manitoba to incorporate international trade occupations as eligible fields of wage assistance to participants in the Manitoba Graduates in Business program.

Numerous international trade titles have been added to the department's business library to assist provincial exporters with trade information. This has led to a significant increase in library utilization.

Trade research and policy analysis continued to monitor developments in the international trading system, identify provincial impediments to export development and seek means by which to enhance Manitoba's trade performance. Numerous federal-provincial and inter-provincial meetings were attended to address a wide range of national and provincial trade matters.

The branch also consulted regularly with trade associations and organizations fostering export market development.

Industrial Capabilities

The Industrial Capabilities unit of Trade Branch has departmental responsibility for maximizing benefits to Manitoba businesses from the Limestone hydro-electric power project.

Activities included the review and analysis of the project to determine all areas of potential involvement by Manitoba companies, as well as a review of existing Manitoba Hydro purchasing and tendering policies and procedures. Through participation on committees with Manitoba Hydro and other government departments, recommendations were formulated to enhance opportunities for Manitoba businesses.

The Manitoba Sourcing Directory was updated and plans were made for a directory of Northern Manitoba businesses. A series of seminars was planned to familiarize Manitoba firms with the Limestone project.

Industrial Capabilities continued to monitor and respond to activities related to the Buy Manitoba program and the General Agreement on Tariffs and Trade as they relate to government procurement.

Strategic Planning and Economic Development

The Strategic Planning Division provides planning support, policy analysis and related economic services to the Department, and through the Executive Branch, to the Economic and Resource Investment Committee of Cabinet. The Division plays a major role in support of the Department's responsibilities as lead agent in government for economic development policy and programming.

Activities

A. Policy Development and Analysis

- Contributed to technology policy development coordination within government and initiated a special focus on the human aspects of adaptation to technological change.
- Undertook an assessment of structural changes affecting economic circumstances and of implications for the productive use of Canada's capital resources.
- Led the initiation of the government's Affirmative Action program within the department.
- Undertook analysis of the potential economic impact and implications of a variety of policy and regulatory proposals being developed by other departments.
- Undertook policy analysis of private sector proposals involving or requesting government support.

B. Program Development and Assessment

- Assisted in the design and implementation of the Development Agreement program of the Manitoba Jobs Fund.
- Critiqued and proposed responses to the federal government for the devolution of federal I.R.D.P. programming and for regional development policy planning.
- Assisted in the analysis and acceptance of a program targeted at the health care sector in Manitoba.
- Supported the development and implementation of the Manitoba Outreach program.
- Undertook a comparative review of tax incentive programs in various provinces.

C. Strategic Planning Support

- Assumed a lead role in coordinating and documenting the department's strategic planning activities, in line with Treasury Board guidelines.
- Coordinated inter-departmental monitoring of significant strategic developments, focusing primarily on micro and sectoral developments.
- Prepared and updated economic overview material, focusing primarily on the development of longer term strategies.
- Compiled data profiles of the 400 largest business organizations in Manitoba.
- Monitored and evaluated the performance of Manitoba's manufacturing sector.

D. Inter-Agency Liaison

- Undertook coordination and support responsibilities for the Economic and Resource Investment Committee of Cabinet.
- Provided coordination with respect to the federal-provincial Economic and Regional Development Agreement and related sub-agreements.
- Exercised lead responsibility for provincial input into applications to Investment Canada.
- Provided background briefings and support for the activities of the Manitoba Economic Advisory Council and its sub-committees.
- Prepared background briefings for inter-governmental meetings of First Ministers and of ministers responsible for regional development.

E. Executive Response

- Prepared the Minister's House Book for use in the Legislative Assembly.
- Prepared speech and briefing material for the Minister's use at a wide variety of events.

Corporate and Community Relations Branch

This branch provides communications support and makes public information recommendations for the effective delivery of department programs and services.

Communications efforts are accomplished through the use of:

- Printed literature (brochures, pamphlets and reports)
- Advertising
- Trade Shows (exhibits and displays)
- Public Relations (news releases, speech writing)
- Audio-Visual Aids
- Special Events Coordination (plant openings, conferences, seminars)

Activities

A major brochure entitled "Investing in Manitoba" was produced to promote developments in the province's economy and its investment attributes.

Three branch service folders were produced for the Industry, Trade and Technology Divisions.

A 12-minute film was produced on Manitoba's economy and investment attributes.

Department program, service and seminar advertisements were produced and placed in Manitoba-based business publications and newspapers as required throughout the fiscal year.

The branch coordinated and produced the first annual Manitoba Export Awards program to recognize outstanding performance and achievement by Manitoba companies.

Exhibits and displays were produced for 14 trade shows in which the department participated:

- Hostex — Toronto, Ontario
- CanadExpo '84 — Hong Kong
- Chamber of Commerce Business Show — Winnipeg
- Miconex Exhibition and Conference — Winnipeg
- Western Canada Farm Progress Show — Regina, Saskatchewan
- Ag Quip — Gunnedah, Australia
- Dowerin Field Days — Dowerin, Australia
- Farm Fest — Toowoomba, Australia
- Agri-Trade '84 — Red Deer, Alberta
- Centrex — Winnipeg
- Canadian Computer Show — Toronto, Ontario
- Montana Agri-Trade Exposition — Billings, Montana
- Northern Farm Show — Minneapolis, Minnesota
- Food and Hospitality — Vancouver, British Columbia

Information Technology Branch

This branch was established as an office of Industry, Trade and Technology in March, 1985 following the return of the Information Management Division to the Department of Finance. The Division was instrumental in the establishment of the Information Technology Program (InfoTech), a joint industry-government initiative supported by the Jobs Fund to promote economic development and job creation.

Mission Statement

To provide direction for the development and implementation of selected economic development initiatives related to information technology.

Objectives

- Identify and support economic development strategies through public sector activities and industry support programs.
- Promote business development and investment in information technology-related industries.
- Provide assistance to Manitoba firms in the development, marketing and distribution of information technology products and services.
- Participate in the establishment and coordination of federal-provincial programs.
- Contribute to the development of government policies related to information technology issues.
- Manage the development and operation of the InfoTech Resource Centre.

Activities

- Implemented the Information Technology Strategy presented in January, 1984 to the Economic Resources and Investment Committee.
- Establishment of the Educational Technology Program and the Manitoba Distributed Communications Network (in cooperation with Manitoba Telephone System and the private sector) to link up Manitoba schools.
- Completed in time and within budget the Information Technology Resources Centre, inaugurated on September 26, 1985.
- Organization of a Manitoba delegation to participate in the Montreal International Software Market resulting in business opportunities in excess of $850,000.
- Numerous presentations to special interest groups to increase awareness of the programs and activities of the Information Technology Program.
- Establishment of the Business/Market Development for Information Technologies which has resulted in the identification of investment opportunities in excess of $10 million and 100 long-term jobs.
- Participation in the Canada-Manitoba ERDA Communications and Cultural Enterprises subagreement, Technology Applications Steering Committee and Federal-Provincial Health Industry Advisory Committee (co-chairing the Information Communications Task Force).
- Completed eight industry cooperative agreements resulting in $4.3 million committed toward the support of the Information Technology Program.

August 16, 1985

Honorable Eugene Kostyra,
Minister of Industry, Trade
and Technology
Room 358 Legislative Building,
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Kostyra:

I am pleased to submit the Annual Report of the Manitoba Research Council for the fiscal year ending March 31, 1985. The Manitoba Research Council's Industrial Technology Centre and Canadian Food Products Development Centre have enjoyed another successful year as evidenced by their increasing level of fee-for-service activity.

On behalf of the Manitoba Research Council, I would like to express my appreciation to the Province for its support.

Yours sincerely,

Marion Vaisey-Genser

Marion Vaisey-Genser,
Chair.

Manitoba Research Council

The Manitoba Research Council's objective is to strengthen the effective use of science and technology, appropriate for the economic and social development of the Province, through the provision of informed counsel to the Minister of Industry, Trade and Technology and by undertaking specific scientific and technological tasks.

The Manitoba Research Council, an agency of the Department of Industry, Trade and Technology, operates two technical centres — the Industrial Technology Centre (Winnipeg) and the Canadian Food Products Development Centre (Portage la Prairie) — which provide scientific and technological service to industrial and government clients on a contractual basis. The Manitoba Research Council provides a selected range of technological support through the centres, and actively promotes this capability to the industrial community to assist in solving problems and helping businesses to achieve their objectives.

Manitoba Research Council — Directorate

The MRC Directorate is the primary liaison between the operations of Council and Manitoba Industry, Trade and Technology. A principal function of the Directorate is to undertake activities which precipitate or contribute to the technological development of the province and which will increase the general awareness within Manitoba of the nature and importance of technology. The Directorate serves as a communications and information link between the Council and its technical operations, especially in the area of reporting to Council on overall performance against stated objectives.

Activities

- Continued management of a program to provide technical assistance to industry through the operation of the Industrial Technology Centre and the Canadian Food Products Development Centre.
- Continued membership and active participation in the Association of Provincial Research Organizations with attendant benefits being brought to the province.
- Represented Manitoba in several national organizations and conferences with respect to technology issues.
- Formulation of a position paper detailing a strategic framework for science and technology development in the Province.
- Organized and hosted the 22nd Annual Canadian Research Management Association Conference which was held in Winnipeg in the fall of 1984. This conference brought together senior research and development managers from across Canada.
- Continued operation of a metric information office to provide metric information to Manitoba businesses as detailed in a contract with the Province and the Metric Commission of Canada.
- The Manitoba Research Council was involved in a major reorganization in which the technology delivery activities of the Council were formally separated from the technology policy development activities of Industry, Trade and Technology.

Industrial Technology Centre

The Manitoba Research Council's Industrial Technology Centre was established in March, 1980 with joint federal and provincial funding through the Enterprise Manitoba Agreement. The objectives of the Industrial Technology Centre are to provide scientific and technical services to Manitoba industry, to stimulate the application of new technology to Manitoba industry, to translate evolving technology into new manufacturing opportunities and to enhance the attractiveness of Manitoba as an industrial location.

The Industrial Technology Centre is operated by the Manitoba Research Council and receives assistance on program development from an advisory board with representation from industry, university and government. The Industrial Technology Centre's advisory board met five times during the year.

As a result of the reorganization of the Manitoba Research Council and the completion of the Enterprise Manitoba Agreement, the Advisory Board was dissolved at year end. In its place, the Manitoba Research Council has created a Technical Centres Board of Directors to oversee management of both its technical centres.

The Industrial Technology Centre supplies technical information and conducts fee-for-service projects, primarily for local industry clients, in the areas of biotechnology, chemical engineering, computer-aided engineering, electrical and electronics engineering, manufacturing engineering, mechanical engineering, and metallurgy/material science. Projects for industry clients include component and machine design and development, prototype fabrication, process development, failure analysis, mechanical testing, system design, plant layout and computer-aided design and manufacturing applications.

Activities

Five hundred fee-for-service projects were completed during the year for gross sales of $1,900,800. This represents an 11 per cent increase in number of projects and a 59 per cent increase in sales over the previous year. At year end, 102 projects were in progress for a total value of $954,200 with an additional 114 projects under negotiation.

Under the IRAP contribution agreement from the National Research Council of Canada, combined with additional core support from the Manitoba Department of Industry, Trade and Technology, technical information and assistance were supplied, at no cost, to a variety of industrial clients. During the year there were 4,806 contacts answering 2,881 client enquiries, representing a 30 per cent increase in activities over the previous year. Of the clients served during 1984-85, 75 per cent were from Winnipeg and 25 per cent from other Manitoba locations.

An agreement was completed with Prime Computer of Canada Ltd. for the expansion of the Centre's CAD/CAM capabilities. Prime Computer supplied the Centre with a core processor and related CAD/CAM software. In return, the Centre initiated Prime training programs and utilized Prime computing facilities for specific client projects to aid Prime in its local marketing activities.

Utilization of the computer-aided engineering services increased dramatically during the year in review. Facilities were utilized in a number of vehicle structural analyses for several clients, including a new bus concept. Solids modelling software was used for several conceptual designs of new agricultural equipment while finite element capabilities were employed in a number of client projects ranging from design of aids for handicapped people to design of specialized pipe fittings and agricultural wheel rims.

Relationships with the University of Manitoba were further enhanced with the installation of computer terminals in the faculties of Architecture, Engineering and in the department of Computer Science, linking the university to the Industrial Technology Centre's computer-aided engineering facilities.

As a result of participation in the Sixth Canada-Japan Science and Technology Consultations in Tokyo in December, 1984 cooperative projects were initiated between the Industrial Technology Centre and two Japanese agencies in the areas of human factors software development and amorphous metals application.

As a result of a cooperative agreement with the National Research Council, a five axis numerically controlled machining centre and a three axis numerically controlled milling machine, originally scheduled for installation in the NRC Institute for Manufacturing Technology, were loaned to the Industrial Technology Centre. By year end, staff had been trained in machine operation, and with the utilization of in-house NC tool path software, the equipment had been utilized in the production demonstration of a number of complex prototype components for clients.

Several noteworthy major projects were successfully completed during the year. These included development of a conversion package for operation of conventional diesel engines on liquid ammonia; completion of a CGSB methanol/gasoline blend fuel fleet demonstration; development of several proprietary computer based voice, video and data communication systems; utilization of modal analysis equipment to solve a number of complex dynamic structural problems and completion of two research projects on the experimental utilization of metallic glass alloys for local industrial applications.

Client utilization of the Centre's chemistry laboratories for specialized analyses increased dramatically during the year. Much of the recurring work related to PCB analysis as well as oil and fuel testing.

Canadian Food Products Development Centre

The Manitoba Research Council's Canadian Food Products Development Centre was established in 1978 and was jointly funded by the federal and provincial governments until September, 1984. The objectives of the Canadian Food Products Development Centre are to provide scientific and technological services to the food, feed and beverage sectors and to assist in solving problems and helping businesses to achieve their objectives in the areas of product development, processing, production and storage.

The Canadian Food Products Development Centre is operated by the Manitoba Research Council and receives assistance on program development from an advisory board with representation from industry, university and government. The Canadian Food Products Development Centre's advisory board met once during the year.

As a result of the reorganization of the Manitoba Research Council and the completion of the Enterprise Manitoba Agreement, the Advisory Board was dissolved at year end. In its place, the Manitoba Research Council has created a Technical Centres Board of Directors to oversee management of both its technical centres.

The Canadian Food Products Development Centre supplies technical information and conducts fee-for-service projects in the areas of food products and formulation, food microbiology, food chemistry, food processing and other production technology. Projects and activities undertaken on behalf of clients include:

Exhibit A
The Manitoba Research Council

Balance Sheet

as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Current:		
Cash	$ 5,500	$ 5,500
Funds on deposit with the Minister of Finance:		
Trust accounts	1,190,896	1,512,109
Term deposit	63,113	442,256
	1,254,009	1,954,365
Accounts receivable (Note 2)	958,016	908,616
	2,217,525	2,868,481
Fixed: at cost (Note 1(b))		
Automobiles	30,000	10,000
Building	1,177,321	845,268
Equipment	5,528,398	4,042,342
Furniture and fixtures	359,363	294,475
Leasehold improvements	392,033	380,899
Land	25,000	25,000
	7,512,115	5,597,984
	$9,729,640	$8,466,465
LIABILITIES		
Current:		
Accounts payable	$ 578,830	$ 571,376
Loan payable (Note 6)	106,061	112,385
Investment in fixed assets, Schedule 1	7,512,115	5,597,984
Unexpended funds, Exhibit B	1,532,634	2,184,720
	$9,729,640	$8,466,465

Exhibit B
The Manitoba Research Council

Unexpended Funds Summary Statement

as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Canadian Food Products Development Centre:		
Grant account, Exhibit C	$ 271,916	$ 858,128
General account, Exhibit E	67,484	62,371
	339,400	920,499
Industrial Technology Centre:		
Grant account, Exhibit D	1,192,020	1,263,007
Other Projects:		
General account	1,214	1,214
Unexpended funds, Exhibit A	$1,532,634	$2,184,720

Exhibit C
The Manitoba Research Council

Statement of Revenue and Expenditure and Unexpended Funds
Canadian Food Products Development Centre, Grant Account

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Grants received from the Governments of the Province of Manitoba and Canada (Note 1(a))	$ 808,895	$ 925,153
Fees for service	482,275	408,523
Contribution from the National Research Council (Note 3)	146,500	78,078
Term deposit interest	—	33,235
Total revenue	1,437,670	1,444,989
Expenditure, Schedule 2:		
Operating	1,125,160	907,053
Capital	898,722	244,009
Total expenditure	2,023,882	1,151,062
Excess of expenditure over revenue	586,212	(293,927)
Balance of unexpended funds at beginning of year	858,128	564,201
Balance of unexpended funds at end of year, Exhibit B	$ 271,916	$ 858,128

Schedule 2
The Manitoba Research Council

Schedule of Expenditures
Canadian Food Products Development Centre — Grant Account

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Expenditures:		
Operating:		
Advertising and promotion	$ 8,319	$ 6,621
Bad debt expense	20,225	—
Building maintenance and repair	31,760	20,219
Computer related expenses	5,342	4,936
Equipment — rentals, maintenance and repair	9,718	23,762
Fees — memberships, seminars, customs and audit	9,867	19,533
Heating, utilities and taxes	45,557	36,790
Laboratory supplies	183,909	120,148
Library publications	19,233	11,572
Postage and telephone	26,945	19,378
Printing and stationery supplies	6,190	10,569
Purchased testing services	96,966	29,767
Real estate rental	3,132	6,695
Salaries and employee benefits	626,248	568,101
Staff transfer and relocation costs	12,561	—
Travel and transportation	19,188	23,962
	1,125,160	907,053
Capital:		
Building — construction contract (Note 5)	317,825	—
— other	14,228	—
	332,053	—
Equipment and furnishings	566,669	244,009
	898,722	244,009
Total expenditures, Exhibit C	$2,023,882	$1,151,062

Schedule 3
The Manitoba Research Council

Schedule of Expenditures
Industrial Technology Centre, Grant Account

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Expenditures:		
Operating:		
Advertising and promotion	$ 10,732	$ 22,399
Bad debt expense	74,690	19,205
Building maintenance and repair	32,773	20,544
Consulting fees	—	4,256
Computer related	168,296	110,682
Equipment — rentals, maintenance and repair	13,175	25,898
Fees — memberships, seminars, customs and audit	41,876	61,005
Heating, utilities and taxes	78,069	106,145
Laboratory supplies	175,205	175,149
Library — consultants and publications	87,396	110,855
Postage and telephone	92,648	64,501
Printing and stationery supplies	41,330	56,164
Purchased testing services	140,169	225,067
Real estate rental	169,055	143,705
Salaries and employee benefits	2,241,282	1,671,241
Staff transfer and relocation costs	15,802	20,548
Travel and transportation	121,672	122,204
Interest expense	15,944	12,942
	3,520,114	2,973,510
Capital:		
Equipment and furnishings	1,004,274	977,070
Leasehold improvements	11,134	172,456
	1,015,408	1,149,526
Contracts:		
Industrial Applications of Micro Electronics Inc.	100,000	200,000
University of Manitoba — Dr. Sehon	60,154	70,000
	160,154	270,000
Total expenditures, Exhibit D	$4,695,676	$4,393,036

The Manitoba Research Council

Notes to Financial Statements

for the year ended March 31, 1985

1. Accounting Policies

(a) *Nature of accounts*

The Manitoba Research Council is responsible for managing the operations of the Canadian Food Products Development Centre and the Industrial Technology Centre and accounts for these separately in these financial statements. A significant portion of the funding for these Centres has been jointly provided by the Governments of the Province of Manitoba and Canada under the Subsidiary Agreement on Industrial Development. Under the terms of this Agreement which expired September 30, 1984, expenditures were shared by Canada and Manitoba on a 62.5 percent and 37.5 percent basis respectively. Since September 30, 1984, this portion of the funding for The Manitoba Research Council has been provided for entirely by the Department of Industry, Trade and Technology, Province of Manitoba.

Funds generated from operations of an activity prior to the Council operating under the Subsidiary Agreement on Industrial Development were recorded in a general account of the activity. These general account funds are available to the Council for undertakings related to the activity in excess of the funds authorized by way of Canada-Manitoba contributions.

Under the Subsidiary Agreement on Industrial Development, funds generated from operations of the Centres have been applied against the costs of operations of the Centres.

(b) *Fixed assets*

The balance sheet reflects fixed assets at cost, with a corresponding entry to "Investment in Fixed Assets". All fixed asset acquisition and sale transactions appear in the statement of revenue and expenditure, except for those costs of the expansion of the Canadian Food Products Development Centre which were paid by the Department of Government Services, Province of Manitoba, from funds received from the Manitoba Jobs Fund (Note 5). Because asset purchases and sales are reflected as expense and revenue as incurred, no provision is made for depreciation or amortization of fixed assets.

The Council's policy is to remove the cost of all physical assets from the accounts which have:

— become obsolete during the year,

— been sold or otherwise disposed of during the year, or

— in the case of leasehold improvements, a full write-off will be recorded at the termination of the lease period, including any renewal option periods.

(c) *General and administrative expenses*

Some general and administrative expenses of the Council and the salary of one engineer are paid by the Department of Industry, Trade and Technology, Province of Manitoba, from its appropriations.

2. Accounts Receivable

	1985	1984
Canadian Food Products Development Centre		
Trade:		
Government of Canada	$ 55,345	$ 19,500
Other	93,728	116,385
	149,073	135,885
Less: Allowance for doubtful accounts	20,225	2,492
	128,848	133,393
Contribution Agreement — National Research Council	36,750	78,077
Total	$165,598	$211,470

Industrial Technology Centre		
Trade:		
Government of the Province of Manitoba	$125,216	$120,254
Government of Canada	81,019	9,614
Other	602,195	420,544
	808,430	550,412
Less: Allowance for doubtful accounts	107,887	52,499
	700,543	497,913
Contribution Agreement — National Research Council	91,875	199,233
Total	792,418	697,146
Accounts Receivable, Exhibit A	$958,016	$908,616

3. **National Research Council Contribution Agreement**

For the year ended March 31, 1985, a contribution agreement was approved between the National Research Council (NRC) and The Manitoba Research Council (MRC) which provided that the NRC would contribute up to a maximum of $514,500 to the MRC for services equivalent to seven staff years in respect to MRC providing technical information services to industry in Manitoba, an activity which augments the services that are provided by the NRC. On the basis of NRC's contribution, such services were provided during the year by staff of the Industrial Technology Centre and the Canadian Food Products Development Centre.

4. **Metric Information Centre Agreement**

An agreement between the Governments of the Province of Manitoba and Canada provides for funding from Canada up to $96,010 for the year ended March 31, 1985. The agreement has not been renewed.

5. **Expansion of the Canadian Food Products Development Centre (CFPDC)**

During the year, construction of the expansion of the CFPDC facilities was completed. Of the $817,325 in direct expenditures related to the expansion, $499,500 was paid by the Department of Government Services, Province of Manitoba, from funds received from the Manitoba Jobs Fund and is not reflected as an expenditure in these financial statements. The balance of the direct expenditures of $317,825 was paid from the unexpected funds of CFPDC.

6. **Loan Payable**

During the previous fiscal year, certain improvements were made to the facilities of the Industrial Technology Centre at a cost of $117,000. The cost was financed by way of a loan repayable over ten years in equal monthly installments of $1,855.63 including principal and interest. As at March 31, 1985, the outstanding loan principal amounts to $106,061.

7. **Comparative Figures**

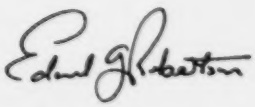
Comparative figures for the year ended March 31, 1984, have been restated to conform with the presentation adopted for the year ended March 31, 1985.

Honorable Eugene Kostyra,
Minister,
Manitoba Industry, Trade and Technology,
Room 358 Legislative Building,
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Kostyra:

It is my pleasure to submit the Annual Report of the Manitoba Trading Corporation for the fiscal year ended March 31, 1985, as required by Section 15 of the Manitoba Trading Corporation Act.

Respectfully submitted,



E.J. Robertson,
Chairperson.

Manitoba Trading Corporation

The Manitoba Trading Corporation was established in 1974 by Legislation as a successor to The Manitoba Export Corporation which was established in 1963. The Corporation was provided with $500,000 in working capital when needed to carry out export business transactions and finance exports on a short-term basis. The Corporation is administered by the Trade Branch of the Department of Industry, Trade and Technology and reports to a Board of Directors. The Corporation had no operating budget or permanent staff in 1984/85.

Activities

The Corporation remained dormant in accordance with the previously established government policy that the Corporation would not be directly involved in any export transactions such as buying and selling of goods. The Corporation Act has been maintained and the Board of Directors held four meetings, mainly related to housekeeping functions. Manitoba industry is supported by an active Trade Branch export development program.

Manitoba

Office of the Provincial Auditor
Report

The Manitoba Trading Corporation

We have examined the financial statements, being Exhibits A and B, of The Manitoba Trading Corporation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

August 26, 1985,
Winnipeg, Manitoba.

F.H. Jackson, C.A.,
Provincial Auditor.

Exhibit A
The Manitoba Trading Corporation

Balance Sheet

as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Assets		
Cash on deposit with Minister of Finance	$502,660	$502,792
Accounts receivable:		
Trade	1,252	1,252
	$503,912	$504,045
Liabilities		
Advances from the Government of the Province of Manitoba for working capital	$500,000	$500,000
Funds available for future operations:		
Balance at beginning of year	4,045	2,863
Expenditure over (under) revenue, Exhibit B	133	(1,182)
Balance at end of year	3,912	4,045
	$503,912	$504,045

Exhibit B
The Manitoba Trading Corporation

Statement of Revenue and Expenditure

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Interest on overdue accounts receivable	$ —	$ 133
Recovery of expenditures related to:		
Export Development Corporation insurance refund	—	500
Institutional Market Program	—	555
	—	1,188
Expenditure:		
Legal fee	133	—
Sundry	—	6
Expenditure over (under) revenue, Exhibit A	133	$(1,182)

The Manitoba Trading Corporation

Notes to Financial Statements

as at March 31, 1985

1. Administrative expenditures are funded from an appropriation of the Department of Industry, Trade and Technology.
2. The accrual basis of accounting is used in the preparation of these financial statements, except for interest on accounts receivable which is recorded on a cash basis.

Industry, Trade and Technology

Summary of Grants Paid 1984-1985 Fiscal Year

1.	Incentive Grants	$ 151,107.52
2.	Enterprise Manitoba — Industrial Development Sub-Agreement	
	(a) To Manitoba Research Council	3,130,400.00
	(b) By Manitoba Research Council	160,154.00
2.	Jobs Fund Projects	350,410.00
		$3,792,071.52

1. Industry, Trade and Technology Incentive Grants 84/85 Fiscal Year

Electronics Industry Association of Manitoba	15,000.00
Toro Company	11,327.50
Standard Aero Ltd.	750.00
Manitoba Light Aircraft	2,378.91
AFG Industries Inc.	13,861.37
Tantalum Mining Corporation	4,520.00
General Aluminum Forging	8,083.33
Rock Lake Oil Seeds Ltd.	1,250.00
Canada West Shoe Mfg.	890.69
Bonar Rosedale Western	2,385.50
Farm King Ltd.	3,278.25
Prairie Agricultural Mfg.	2,385.50
Canadian Tool and Die	2,385.50
Keith Industries, Inc.	2,385.50
Monarch Industries Ltd.	1,948.37
McCrea Farms Ltd.	1,000.00
Westfield Industries Ltd.	815.25
Vana Industries	883.25
Solv-X Inventions Ltd.	4,000.00
Hamilton and Allen Co. Ltd.	465.29
Winnipeg Film Group Distributors	617.55
Quantic Laboratories Inc.	1,747.30
Fort Garry Industries	2,568.24
J.H. Hecht and Son Ltd.	2,000.00
Pydee Engineering Co. Ltd.	1,274.49
Yoram Ltd.	400.72
Linear Systems Ltd.	831.63
Automatic Sprouting Systems	3,239.44
Turnstone Press Ltd.	82.55
Grehi Mfg. (1983) Manitoba	310.55
Quality Mattress Co. Ltd.	1,537.00
Vanguard Industries	2,000.00
Interlab Paints	538.35
Elmcrest Furniture Mfg.	1,452.69
Imperial Eastman	1,410.99
J. Nash Sportswear Ltd.	820.00
Gray's PVC Pipe Furniture	1,155.50
Acme Chrome Furniture	1,415.35
Esper's Equine Products	301.36
Paramount Furniture Mfg.	1,369.78
Crest Art Manufacturers	777.06
Siltex Ltd.	1,140.84

C & J Jones (1983) Ltd.	1,736.51
Regal Bedding 1977 Ltd.	766.17
L & M Radiator Ltd.	2,829.93
Plasma and Flame Coating	344.76
Westnofa of Canada Ltd.	2,967.88
Airmaster Sales Ltd.	692.21
National Lamp Mfg. Co. Ltd.	1,108.83
Lode-King Industries Ltd.	576.04
Shackleton Engineering (UK) Ltd.	4,905.75
Zen-Tec Gym Equipment	727.00
Richardson Great North	3,600.00
Souris Plastics (1983) Ltd.	1,000.00
Prairie Cab Ltd.	858.43
Lime Group	283.23
Pace Setter Swim and Gym	1,654.41
Manitoba Upholstering	1,941.25
Northern Goose Processors	1,403.95
Rosove Ltd.	4,000.00
GB Graphics Photographics	819.08
All Canadian Emblem Co.	742.67
Graftech Manufacturing	2,000.00
Elizabeth Warbansky Ukrainian Arts & Crafts	1,042.40
Rollo Rex Corporation	126.42
Les Editions Du Ble	1,000.00
K & S Tool and Die Ltd.	495.00
Miconex 84	1,500.00
Manitoba Schools Science Symposium	1,000.00
Northern Manitoba Regional Science Fair	1,000.00
Western Manitoba Science Fair	1,000.00
Conference of Industrial Applications of Computed Tomography and N.M.R. Imaging	1,000.00
Biomass Energy Institute	1,000.00
	$151,107.52

2. Enterprise Manitoba Industrial Development Sub-Agreement Federal-Provincial Cost-Shared Programs

A. Grants to Manitoba Research Council	$3,130,400.00
B. Grants by Manitoba Research Council (Winnipeg Tech. Centre)	
Industrial Application of Microelectronics Centre Inc.	100,000.00
University of Manitoba (Dr. Sehon)	60,154.00
	$160,154.00

3. Jobs Fund Projects

1.	Innovative Technology	
	Ambutech Incorporated	$50,000.00
2.	Strategic Research Support	
	Industrial Technology Centre	49,500.00
	Industrial Applications of Microelectronics Centre Inc.	37,500.00
	University of Manitoba	208,410.00
		$295,410.00
3.	Technology Advocacy	
	Canadian Research Management Association	$5,000.00

Manitoba Industry, Trade and Technology

Expenditure Variances

1984/85 Actuals vs. 1984/85 Estimates
for the year ended March 31, 1985 ($000's)

1984/85 actuals		8,722.7
1984/85 main estimates		9,296.4
Increase/(decrease)		(573.7)

Appropriation Number	Name	Actuals to: March 31/84	1984/85 Estimates	Over (under) Estimate	Expl. #
10-1A	Minister's Salary	9.8	9.8	—	
10-1B	Executive Suport	285.2	219.9	65.3	(1)
10-1C	Strategic Planning	863.5	1,382.1	(518.6)	(2)
10-1D	Communications	318.1	353.4	(35.3)	
10-1E	Financial & Admin. Services	964.1	664.6	299.5	(3)
10-2A	Admin.-Industry & Trade	155.3	185.6	(30.3)	
10-2B	Industry	1,052.5	1,096.8	(44.3)	
10-2C	Trade	864.7	1,045.7	(181.0)	(4)
10-2D	Technology	233.2	261.2	(28.0)	
10-2E	M.R.C.	3,130.4	3,212.8	(82.4)	
10-3	Information Management	845.9	864.5	(18.6)	
Total Department		8,722.7	9,296.4	(573.7)	

Manitoba Industry, Trade and Technology

Expenditure Variance Explanations

1984/85 Actuals vs. 1984/85 Main Estimates
for the year ended March 31, 1985

Expl. #	Explanation
1.	Unbudgeted increased travel and related expenditures.
2.	Planned studies not undertaken.
3.	Acquisition of computer related and word processing equipment.
4.	Deferral of representation in Hong Kong (to be achieved).